

LRB or Bill No./Adm. Rule No.  
DCF 201

Amendment No. if Applicable

FISCAL ESTIMATE  
DOA-2048 N(R03/97)
☒ ORIGINAL      ☐ UPDATED  
☐ CORRECTED      ☐ SUPPLEMENTAL
**Subject**

Child care subsidy program integrity

**Fiscal Effect**State: ☐ No State Fiscal EffectCheck columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation.☒ Increase Costs - May be possible to Absorb  
Within Agency's Budget ☒ Yes ☐ No
☐ Increase Existing Appropriation      ☒ Increase Existing Revenues  
☐ Decrease Existing Appropriation      ☐ Decrease Existing Revenues  
☐ Create New Appropriation
☐ Decrease CostsLocal: ☐ No local government costs
1. ☐ Increase Costs  
☐ Permissive ☐ Mandatory  
2. ☐ Decrease Costs  
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenues  
☐ Permissive ☐ Mandatory  
4. ☐ Decrease Revenues  
☐ Permissive ☐ Mandatory

5. Types of Local Governmental Units Affected:  
☐ Towns ☐ Villages ☐ Cities  
☐ Counties ☐ Others \_\_\_\_\_  
☐ School Districts ☐ WTCS Districts
**Fund Sources Affected**☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S**Affected Ch. 20 Appropriations****Assumptions Used in Arriving at Fiscal Estimate**

Section 49.155 (7m), Stats., as created by 2009 Wisconsin Act 28, and s. 49.195 (3m) and (3n), Stats., allow the Department to pursue collection of overpayments to child care providers receiving payments from the Wisconsin Shares program through use of warrants, execution of liens, and levies. State staff and IT systems for applying these administrative collection tools have been in place since 2007 for levies and longer for the warrant and lien execution processes. Up to this time these collection options have been applied to participants only. This rule establishes procedures for extending the use of these tools to collection of overpayments from providers.

Because staff and IT systems are already in place for administration of these collection tools, it is anticipated that the additional workload for initiating provider overpayment collections will be minimal, and will be able to be covered within existing resources. Annual revenues from collections and fees associated with initiating warrants, liens and levies will be available to cover administrative costs for provider overpayment collections. While annual costs for collections will increase, they will be covered by annual increases in revenues.

As of June 2010 over \$7.1 million of child care provider overpayments have been identified for possible collection action. While child care providers who are subject to overpayment collections will have appeal rights, there is no reliable basis to estimate how many will appeal. Costs associated with appeals are anticipated to increase, but revenues from collections will be available to cover those costs also.

**Long-Range Fiscal Implications**

None

Agency/Prepared by: (Name & Phone No.)  
Mike Holland 266-9469Authorized Signature/Telephone No.  
Bob Nikolay (261-4349)  
DCF Budget DirectorDate  
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